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Draft country programme document for the Libyan Arab Jamahiriya (2006-2009)

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I. Situation analysis

1. Libya is entering a new era following the lifting of international sanctions in 2003 and 2004, and is now able to renew its efforts to diversify its economy, and become engaged in regional and international economic initiatives.

2. Diversification is a key issue, given Libya' s dependence on two non-renewable resources, oil and natural gas. These commodities accounted for 95 percent of exports in 2003, and in 2002 provided 76 percent of the national budget revenue.

3. The Government recognizes that the private sector has an essential role to play in diversification and, therefore, a wide-ranging legal and institutional framework, that is conducive to private investment, needs to be created. The Government has already announced a privatization programme for 360 public companies, and steps are underway to reform the banking sector in line with the realities of a growing market-oriented economy.

4. Revenues from oil and natural gas have helped Libya to make remarkable progress in terms of the Millennium Development Goals (MDGs). Ranked 58 out of 177 countries in the 2004 Human Development Index, Libya is in the category of "medium human development" countries.

5. While the Government has been successful in meeting the basic needs of the population, and per capita income is relatively high at US$7570 in 2002, serious challenges remain. According to the Common Country Assessment (CCA), economic growth over the last decade, averaging about two percent per year has not kept pace with the annual population growth of 2.7 percent. The fertility rate (at 3) is high for a 'medium human development' country, and only three percent of the women reach managerial positions.

6. The CCA also highlights concerns about the quality and efficiency of services in education, health and related areas. Currently Libya faces the paradox of growing unemployment amongst Libyans, while hosting over one million migrant workers. This underlines the need for educational reform in the country to meet modern needs.

7. The Government recognizes that more needs to be done on environmental sustainability (Millennium Goal 7). This includes action on availability of water for domestic, industrial and agricultural purposes, on sanitation and management of solid wastes in less affluent urban areas, and on the pollution of the country's coastline.

8. In 1992 Libya embarked on a comprehensive decentralization process, establishing local government institutions with independent political, administrative and fiscal authority. The country is now divided into 32 Shaabiyat (Governorates) which vary greatly in geographical and economic size, and are heavily dependent on central Government funding. As the Shaabiyat have substantial responsibility in the health and education fields they are key drivers of development, but they have not yet developed the capacities to manage funds effectively, nor to raise their own funds. Therefore, for decentralization to be effective, it has to be accompanied by appropriate education and training.

II. Past cooperation and lessons learned

9. Evaluations conducted during the current United Nations Development Programme (UNDP) Country Programme period (2003-2005) reflect the progress that has been made towards achieving the planned outcomes in the three chosen areas of cooperation, namely:

a) Capacity-building for sustainable human development and public sector reform;

b) Economic diversification; and

c) Decentralization and local governance.

Significant achievements have been recorded in all three areas.

10. The most important output of the first area was in the education sector, where curricula were developed for the new specialized schools and vocational training centres, designed to provide young people with the skills needed to find jobs in the emerging market economy. Women were prominent among the beneficiaries of these projects. Managerial and technical capacities were also built in support sectors, including meteorology and civil aviation.

11. Cooperation between UNDP and Libya to achieve economic diversification focused on the development of tourism, given its income and employment generating potential. The project on "Rehabilitation of the Old City of Ghadames" - a United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage site - part of a tourism master plan, was successful in preserving local adobe building knowledge, relying on local materials, and reviving community participation traditions, including participation by women. The project now serves as a model for other historic cities in similar circumstances, and is thus a prototype for the expansion of cultural tourism.

12. Furthermore, together with the Government of the United Kingdom, UNDP supported a national seminar on privatization. Follow-up actions may encompass diversification in communications, financial services, free zones and transit commerce.

13. As a step towards economic reforms, UNDP worked with the planning authorities to build national capacities for conducting macro-economic assessments and policy formulation and coordination. Several economic assessment reports and analytical studies have been produced, notably: *"Strategies, Policies, and the Economic Conditions for the Development Plan 2006-2010"*.

14. With respect to decentralization, the project for "Development Mapping for Local Governance" produced information on various sectors at the local level. The data was used in the second Libyan National Human Development Report (NHDR), and is making it possible for central resources to be allocated to the Shaabiyat on the basis of their widely varying development needs, instead of by population alone. This project embodied a strong capacity building component, so that necessary information can continue to be generated.

15. While gender was not explicitly defined as a field of action in the Country Programme for 2003-2005, the UNDP Country Office took several relevant initiatives, including a seminar on the Arab Human Development Report (AHDR) and Gender, and an international seminar on human rights. In addition, drawing on the recommendations of a United Nations Fund for Women needs' assessment mission, the Office prepared a policy note for partners, to advocate for women's empowerment and gender mainstreaming in the next programming cycle.

Lessons learned

16. The projects implemented were mostly designed during the previous programming cycles and carried over to the present period. Several projects developed by UNDP did not reach the stage of implementation due to lack of funding. It is agreed that the UNDP Country Office needs to explore ways to mobilize independent resources, such as from the private sector.

17. In the absence of funds for new projects, the Country Office was able to promote achievement of the Millennium Goals with a variety of cooperation activities. The very process of developing project ideas with the national authorities often served as a means of advocacy. For example, the "Development of Specialized Schools" demonstrated the benefits of a participatory process, with substantial participation by women, in the development of curricula.

18. The activities in the area of decentralization showed that support for good governance and capacity building at the Shaabiyat level often has to be tailored to the individual Shaabiyat, as conditions (economic, political and social) vary greatly from one to another. There is scope for closer cooperation with other partners, including bilateral donors, in supporting development in the Shaabiyat. Collaboration with bilateral donors should also be envisaged in the areas of privatization and public-private partnerships.

19. Programme evaluations have indicated that project effectiveness and impact could be enhanced through broadening the ownership of project processes, in particular by involving relevant civil society organizations. It was also found that projects achieve better results by sharing skills and experiences with each other. In addition, it was found that some projects, while delivering concrete, practical "downstream" outputs, could achieve more impact if combined with complementary "upstream" interventions, where UNDP has a greater comparative advantage. Evaluations also pointed to the need to carry out monitoring activities more rigorously.

20. In light of the recurring delays in project execution, efforts should be made to create the conditions for greater synergy in UNDP' s activities, especially through:

a) avoiding dispersion of projects;

b) progressively introducing national execution;

c) minimizing the impact of frequent changes in the Libyan structures, through up-front funding; and

d) developing new capacities among the UNDP Country Office staff.

III. Proposed programme

21. The second UNDP Country Programme (2006 - 2009) for the Great Socialist People's Libyan Arab Jamahiriya (GPSLAJ) is the result of a broad consultative process involving public, private and civil society partners. This began with the CCA process in 2004 led by UNDP. The process incorporated analyses made in the first MDG Report, the second NHDR and the AHDR series.

22. The proposed UNDP Country Programme for 2006-09 concentrates on the areas of cooperation identified in the CCA, taking into account continuity with the 2003-05 Programme and consistency with the analyses and recommendations of the AHDRs.

23. Thus, within the overall framework of achieving the MDGs in Libya, UNDP will focus on cooperation in the following three strategic areas:

A. Economic reform and diversification

B. Development of education and a knowledge society

C. Improved governance at the local and central levels

24. These three major areas of cooperation are mutually supportive. Progress with economic reforms and diversification, such as the growth of the private sector, depends upon a suitably educated and motivated labour force on the one hand, and efficient and predictable Government services on the other.

A. Economic reform and diversification

25. The Government places high priority on economic diversification to overcome poverty and unemployment, which have recently been growing, and to reduce dependence on hydrocarbons in the medium to long term. UNDP will continue to develop projects to support diversification and the emergence of a market-oriented economy. It will work in the areas of employment policies, privatization, World Trade Organization (WTO) accession, and environmental management. Public-private partnerships will be encouraged in view of their potential to both stimulate the private sector and make public services more efficient. While the aim is to improve overall living standards in Libya, particular attention will be paid to the needs of disadvantaged groups.

26. The projects will help develop employment policies and mechanisms adapted to the new economic framework, mainly in national industrial enterprises, and support analyses of issues related to Libya's accession to the WTO. In all cases, individual and institutional capacities will be developed. The analyses will examine, among other things, the likely impact of trade liberalization on the employment opportunities for women and young people. A project is also envisaged in the vital support sector of civil aviation.

27. To improve living standards, a project will be developed to help set up a micro-credit scheme, especially targeting women and disadvantaged groups; provide policy advisory services for upgrading agricultural techniques through research and technology transfer and animal husbandry; and support small and medium enterprise activities, including the promotion of women's entrepreneurial activities.

28. A Global Environment Facility (GEF) funded national capacity self-assessment project will examine progress made in Libya with respect to the implementation of global conventions on protection of the environment, and propose policy and institutional changes as needed. UNDP will support an environmental assessment addressing living conditions (especially of the disadvantaged groups), with reference to potable water distribution, sanitation and solid waste disposal. The ongoing efforts to develop a modern national weather forecasting system will also continue.

29. The possibility of replicating the "Ghadames" project will be explored.

B. Developing education and a knowledge society

30. While the Government has succeeded in providing free universal education and vocational training, its highest priority now is to raise the quality of education, with a view to reducing unemployment and creating a knowledge society. The Programme will concentrate on supporting reforms in the education sector to create a labour force equipped to meet the challenges of globalization. Educational standards will be improved via the development of core curricula, capacity building strategies, quality assurance mechanisms, and benchmarking the education system against international criteria.

Information and communication technologies (ICT) for education and a knowledge society

31. UNDP will support Government initiatives in formulating a national ICT for development strategy. UNDP will also play an advisory role in encouraging and enabling women to join the ICT sector through advocacy and counselling in universities and other places of learning.

C. Improved governance at local and central levels

32. UNDP will continue to support national capacity building efforts in the area of good governance, including human rights. The initiatives will include a comprehensive technical review of the legal system in Libya, in support of the country's efforts to promote the rule of law, and to modernize the judicial system at the national and local levels, including measures to ensure that women are able to exercise the rights guaranteed to them by the national laws.

33. UNDP will assist in decentralization and local development by: providing support and expertise in designing systems whereby the Shaabiyat can generate resources through taxation or local economic activities; building the capacities of local and national officials to strengthen the planning process in the Shaabiyat; and by introducing programmes in specific Shaabiyats using innovative approaches, such as public-private partnerships.

34. There will be support for increased involvement of civil society in the development process including the private sector, community-based organizations and organizations led and managed by women.

Cross-cutting issues and the NHDR

35. Two "cross-cutting" themes have been identified for the Country Programme - gender issues and ICT. All outcomes and outputs described in the Results and Resources Framework will be reviewed in the light of gender and ICT-related targets, and these dimensions will also be reflected in programme management. A review of existing gender-related legislation is foreseen, to compare against international standards and conventions, including the Convention on Elimination of all Forms of Discrimination Against Women. Efforts will be made to empower women to exercise legal rights, through advocacy, national seminars and projects on women's empowerment. In ICT, special support will be given to the introduction of open source software systems. UNDP's Enterprise Resource Planning (ERP) system will be shared with public and private institutions as appropriate.

36. In view of the positive impact of the 1999 and 2002 National Human Development Reports, during the on-going discussions for the preparation of the third NHDR, the Country Office will continue to support the process as a strategic partner of the relevant national authorities.

IV. Programme management, monitoring and evaluation

37. The UNDP Country Office will manage programme implementation in collaboration with Libyan Government partners. Periodic oversight and coordination meetings chaired by the national partner concerned will be held to review progress. The parties will also build on recent practices of collaboration and exchange involving Government partners, academia, bilateral and multilateral partners, civil society organizations and individual experts including women, working in relevant fields.

38. The Country Office will apply UNDP's results-oriented monitoring tools and evaluation procedures. Where possible, monitoring will be conducted jointly by the Office and national counterparts, in order to maximize the Programme's value and strengthen national capacities in monitoring and evaluation. Evaluations of the results achieved in the operationalization of AHDR recommendations at the national and local levels are also anticipated. Evaluations will always examine the effects of interventions on women and disadvantaged groups.

39. The Programme will encourage the use of national professionals and expertise for project execution and evaluation, including outcome evaluations. In consultation with the Government, and taking into consideration the capacity of national institutions, the feasibility of national project implementation will be explored for each new project. In such cases intensive training for UNDP counterpart personnel will be provided in project design, execution and accountability procedures. Direct or agency execution will continue to be used where appropriate.

40. Since the Programme will be funded almost entirely by Libyan sources, timely achievement of the outcomes requires that the Government of Libya make resources available to UNDP at the start of the Programme. This will help eliminate the bottlenecks whereby previously innovations in programming and project start-ups were delayed for want of resources. UNDP will also seek to mobilize additional resources from bilateral, multilateral and private sector sources.

41. The annual target for resource mobilization from Libyan sources will be $4 million, based on incremental progress from past average yearly delivery rates. The Country Office may enlarge the programme within its three areas of focus, provided that contributions are received and delivery rates are sustained. The distribution of resources across the three programme areas over the four-year cycle will be allocated as follows; $6 million for "Developing Education and a Knowledge Society", $5 million for "Economic Reform and Diversification" and $5 million for "Improved Governance at Central and Local Levels".

Regional cooperation

42. The UNDP Country Office will continue to play a key role in facilitating country-level activities of UNDP regional programmes, and of United Nations agencies that do not have a local office. The Country Office will continue to support and advocate for the work of the Joint United Nations Programme on HIV/AIDS, the United Nations Office on Drugs and Crime (UNODC), the United Nations Children's Fund (UNICEF) and the regional project 'HARPAS' on HIV/AIDS and drug abuse matters. In this connection, it is expected that the United Nations will pilot its joint office concept in Libya. To enable the Country Office to fulfil its role, efforts will be made to upgrade its skills in areas that are relevant to the new challenges facing the country, including economic negotiations, human rights, gender and HIV/AIDS. The Country Office will also help strengthen the Government's capacity to play a more effective role as a donor country.

Annex. Results and resources framework for the Libyan Arab Jamahiriya (2006-2009)

Programme component	Programme outcomes	Programme outputs	Output indicators, baselines and targets	Partners	Resources by goal
National Priority 1: Economic reform and diversification					
Intended United Nations System Outcome: Mainstreaming of MDGs helps meet new socio-economic challenges in Libya					
Achieving the MDGs and reducing human poverty.	1. Progress towards economic diversification, with emphasis on benefiting women and disadvantaged groups (poor, unemployed, young people), and contributing to a reduction in unemployment.	1.1. Capacities of national authorities to develop employment policies and strategies enhanced. 1.2 Micro-credit schemes designed and implemented. 1.3 Capacities built to support Libya's accession to the WTO. 1.4 Institutional capacity developed in the area of privatization and public-private partnerships and small and medium size enterprises. 1.5 Enhanced and accessible services provided to support relevant sectors including meteorology, civil aviation and agriculture.	1.1. New policies and strategies developed through participatory processes, especially involving women and young people, which are advocated, disseminated and reflected in national policies. 1.2 Efficient and accessible micro-credit system in place, and an increase in the share of loans given to women and youth. 1.3.1 Officials trained to participate effectively in the negotiations for WTO membership. 1.3.2 Needs assessment on trade regime, especially tariff policy carried out, and action plan established and being implemented. 1.3.3 Assessment is made of the likely impact of WTO accession on women and marginalized groups. 1.4 Advisory services and training provided to the institutions in charge of investment promotion and privatization, and partnerships forged between the public and private sectors. 1.5 Capacity building and advisory services provided to various sectors, including on the introduction of new technology.	General People's Congress (GPC), Planning, Economy, Finance and the National Meteorology Center. United Nations Department of Economic and Social Affairs, WTO, United Nations Capital Development Fund, UNIFEM, World Meteorological Organization and Meteo-France.	Government Cost-sharing: $5 million
Energy and environment for sustainable development.	2. National efforts to protect the environment and improve living conditions supported through a variety of instruments and capacity building initiatives.	2.1. Capacity to carry out environmental assessments and implement international conventions strengthened. 2.2. National access to safe water and sanitation improved. (Only 60 percent of dwellings currently linked to sanitation system).	2.1.1 National self-assessment report completed, to guide the strategy and action plan needed to implement the objectives of international environmental conventions. 2.1.2 Review of the legal and institutional bases for action at central and local levels. 2.2. Action plan developed for access to safe water, sanitation and waste management in less affluent areas.	National Center for Training and Education, GPC Manpower and Training, UNESCO and UNICEF.	
National Priority 2: Education sector reform and creating a knowledge society					
Intended United Nations System Outcome: Contribute to the development of human resources that fosters sustainable development and progress towards a knowledge society					
Achieving the MDGs and reducing human poverty.	3. Improved educational standards	3.1 Individual and institutional delivery capacity in education developed and supported. 3.2 Upgrading and harmonization of quality assurance standards of education systems in the country. 3.3 Increased efficiency in the planning of education systems, with emphasis on development of core curricula, textbooks and	3.1.1 Systematic training programme on the new curricula and other reforms, including gender sensitization, provided to headmasters, other staff, teachers' unions and Parent-Teacher Associations. 3.1.2 Number. of teachers trained in the use of modern educational tools and materials, including computers, increased in all schools. 3.2.1 Situation assessment made of the quality of national systems in relation to international criteria and benchmarks, including gender-related dimensions. 3.2.2 Accreditation system reviewed and updated according to international standards. 3.3 New curricula, beginning with basic education, introduced and used throughout the education system.	National Center for Training and Education, GPC Manpower and Training, UNESCO and UNICEF.	Government Cost-sharing: $6 million

		building up of capacities.			
	4. Greater use of ICT for education and creating a knowledge society.	4.1 Increased awareness on the use of ICT in education, and the obstacles to integrating it into the school curricula identified.	4.1.1. New curricula with a strong focus on ICT adopted in 100 percent of basic schools, and teachers trained for it. 4.1.2 Application of lessons learned from experiences of other countries, learned through participation in regional activities.	National Center for Training and Education, GPC Manpower and Training, UNESCO and UNICEF.	
National Priority 3: Improved governance at the central and local levels					
Intended United Nations System Outcome: Reforms for good governance at the central and local levels					
Fostering democratic governance.	5. Country's efforts in good governance enhanced.	5.1. Local capacity developed through promotion and involvement of civil society organizations and community-based organizations in development processes. 5.2 Comprehensive technical review of the legal system in support of the country's efforts to promote the rule of law. 5.3 Modernization and capacity building in the judicial system at the national and local levels.	5.1. Projects to support academic research centres and non-governmental organizations designed and implemented, integrating a human-rights based approach and gender mainstreaming, as well as advocating for an enabling humane environment for addressing HIV/AIDS. 5.2. Study carried out for identifying how to adapt the legal system to meet the emerging needs of the country, especially for economic liberalization and the protection of human rights. 5.3 Training programme designed and implemented at the national and local levels on modernization of the trial process and human rights, with a focus on involving women judges.	Gaddafi Association for Charitable Organizations, GPC Justice, United Nations Office of the High Commissioner for Human Rights and UNODC.	Government Cost-sharing: $5 million
	6. Improved effectiveness of decentralization policies and strategies.	6.1 Planning processes in the Shaabiyat strengthened through improved databases, more effective uses of the data, and training of local and national officials 6.2 Implement development programmes in the Shaabiyat using integrated approaches and regional platforms focusing on local economic development. 6.3 Build capacities in the Shaabiyat to design and implement public-private partnerships	6.1. Existing database (with socio-economic parameters) is updated and enhanced with gender disaggregated data, and is applied systematically for planning and resource allocation purposes at central and Shaabiyat levels. 6.2. Local development programmes, incorporating gender and ICT components, designed and established according to the methodology of the "Gold Maghreb" regional initiative. 6.3. Shaabiyat and central government staff trained on principles and methods in public-private partnerships, and at least two pilot projects established.	GPC Planning, Shaabiyat and United Nations Office for Project Services.	